

Notice of Critical Status For

Concession & Program Employees Local #468 Pension Plan

This is to inform you that on June 29, 2017 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the Plan is in critical status for the plan year beginning April 1, 2017. Federal law requires that you receive this notice.

Critical Status

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined that the Plan has an accumulated funding deficiency for the current plan year. This does not mean that the Plan is insolvent or unable to pay benefits.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the fifth year the Plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On March 24, 2014, you were notified that the Plan reduced or eliminated adjustable benefits. On July 30, 2013, you were notified that as of July 30, 2013 the Plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status. If the trustees of the Plan determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase, as described below) will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after July 30, 2013.

Adjustable Benefits

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any update to the rehabilitation plan the pension plan may adopt:

- Post-retirement death benefits;
- Sixty-month payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint-and-survivor annuity (QJSA);
- Recent benefit increases (i.e., occurring in past 5 years);
- Other similar benefits, rights, or features under the Plan:

On February 19, 2014, the Trustees adopted a rehabilitation plan that eliminated some of these Adjustable benefits as well as future benefit accruals. You were notified of these changes in a March 24, 2014 communication.

On March 31, 2015 a revised Rehabilitation Plan was approved by the Trustees that targets emergence by the end of the Rehabilitation Period. No further benefit changes were made in the March 31, 2015 revised Rehabilitation Plan.

On May 3, 2017, the Rehabilitation Plan was further revised to target emergence by the end of the Rehabilitation Period. No further benefit changes were made in the May 3, 2017 revised Rehabilitation Plan.

Employer Surcharge

The law requires that all contributing employers pay to the Plan a surcharge to help correct the Plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the Plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the Plan is in critical status.

Where to Get More Information

For more information about this Notice, you may contact Linda Johnson at CV Administrative Services, Inc., P.O. Box 20757, Castro Valley, CA 94546-8757, (510) 247-9027. You have a right to receive a copy of the rehabilitation plan from the Plan.